

Message Text

PAGE 01 NATO 02546 01 OF 03 292308Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 INR-07 L-03 ACDA-07
NSAE-00 PA-01 SS-15 PRS-01 SP-02 USIA-06 TRSE-00
MC-02 DHA-02 IO-13 OIC-02 EB-08 NRC-05 ERDA-05
NSC-05 /101 W
-----300002Z 068475 /63

P 291710Z APR 77
FM USMISSION NATO
TO SECSTATE WASHDC PRIORITY 3303
SECDEF WASHDC PRIORITY
INFO ALL NATO CAPITALS
CINCLANT NORFOLK VA
USLOSACLANT NORFOLK VA
USNMR SHAPE BE
USCINCEUR VAIHINGEN GER

C O N F I D E N T I A L SECTION 1 OF 3 USNATO 2546

E.O. 11652: GDS
TAGS: MPOL, NATO
SUBJECT: DRAFT MINISTERIAL GUIDANCE 1977: DPC REVIEW

REF: (A) USNATO 2373 (DTG 231215Z APR 77)(NOTAL),
(B) USNATO 2437 (DTG 270915Z APR 77)(NOTAL),
(C) STATE 095353 (DTG 272332Z APR 77)(NOTAL)
SUMMARY: IN SPIRITED DISCUSSION APRIL 29, DPC CLEARED
DRAFT MINISTERIAL GUIDANCE 1977 FOR FORWARDING TO MIN-
ISTERS. DPC WAS UNABLE TO AGREE ON A SINGLE FORMULA ON
RESOURCES TO BE ALLOCATED TO DEFENSE, BUT WE GAINED UN-
EXPECTED SUPPORT FOR OUR DESIRED FORMULA, WHICH WOULD
STIPULATE A REQUIREMENT FOR REAL ANNUAL INCREASES "OF AT
LEAST 3 PERCENT." FRG WITHDREW ITS COMPLEX AND UNHELPFUL
LANGUAGE ON RESOURCES; HOWEVER, UK INTRODUCED AN UNACCEPT-
ABLY SOFT FORMULA, WHICH MUDDLES PRESENTATION OF ALTERNA-
TIVE RESOURCE FORMULATIONS FOR MINISTERIAL DECISION.
SEVERAL MINOR NETHERLANDS, TURKISH, FRG AND US AMENDMENTS
CONFIDENTIAL

PAGE 02 NATO 02546 01 OF 03 292308Z

WERE ADOPTED. BRACKETED SECTION ON GUIDANCE TO PERMREPS
WAS DELETED, BUT ITS CONTENTS WILL BE CONTAINED IN A COVER
NOTE FROM SYG LUNS. COMMENT: WE BELIEVE IT WOULD BE
HELPFUL IN GETTING THE UK TO WITHDRAW ITS RESOURCE
LANGUAGE (SEE PARA 7) IF SECRETARY BROWN PERSONALLY INTER-
VENES WITH A LETTER TO DEFENSE SECRETARY MULLEY TO THAT
END. ACTION REQUESTED: WASHINGTON CONSIDERATION OF
ADVISABILITY OF SUCH A LETTER. END SUMMARY.

1. IN OPENING APRIL 29 DPC DISCUSSION OF DRAFT MINIS-

TERIAL GUIDANCE 1977 (REF A), SYG LUNS PRAISED GUIDANCE, SAYING THAT IT FOCUSES ATTENTION ON TWO IMPORTANT ISSUES ADDRESSED TO PERMREPS OR MINISTERS FOR RESOLUTION: (A) RESOURCES AND (B) THE ADVISABILITY OF A SECTION ON GUIDANCE TO PERMANENT REPRESENTATIVES. LUNS SAID THE MAJOR ISSUE BEFORE PERMREPS WAS THAT OF RESOURCES, ON WHICH HE HAD EXPRESSED HIS PERSONAL VIEW IN PO/77/68 (REF B): ALLIED ABILITY TO RESOLVE THE RESOURCES ISSUE WOULD BE A MAJOR TEST OF WHETHER THE ALLIANCE SERIOUSLY INTENDS TO DO SOMETHING ABOUT ADVERSE TRENDS IN THE MILITARY BALANCE.

2. BOSS SAID THAT THE FRG WOULD REMOVE THE BRACKETS FROM DRAFT PARA 40 AND FROM THE LAST SENTENCE OF DRAFT PARA 41, PROVIDED THAT THE PARA 41 PHRASE "UP TO THE RATE INDICATED FOR GDP" (LINE 8) WERE DELETED. DPC AGREED. REGARDING THE FRG SUBSTITUTE PARA 42, BOSS SAID THAT THE FRG'S LONG-TERM PLANS ARE TO MAINTAIN FORCES AT THEIR PRESENT LEVEL AND TO MODERNIZE THEM. THE FRG BELIEVED THAT TOTAL DEFENSE EXPENDITURE FIGURES WERE MEANINGFUL ONLY IN RELATION TO EXPENDITURES FOR OTHER SECTIONS OF THE ECONOMY, AND THAT TOTAL DEFENSE EXPENDITURE NUMBERS ALONE COULD NOT MEASURE THE QUALITY OF THE DEFENSE CONTRIBUTION OF NATIONS. IN VIEW OF THE FRG'S ISOLATION ON THIS ISSUE, HOWEVER, BOSS SAID THAT BONN WAS PREPARED TO ACCEPT THE CURRENT PARAGRAPH 42, INCLUDING THE BRACKETED FORMULATION
CONFIDENTIAL

PAGE 03 NATO 02546 01 OF 03 292308Z

"APPROACHING 3 PERCENT."

3. CHARGE SUPPORTED BRACKETED FORMULATION "OF AT LEAST 3 PERCENT." HE NOTED THE SYG'S VIEW THAT GUIDANCE ON RESOURCES WOULD BE A MAJOR TEST OF THE ALLIANCE'S READINESS TO RISE ABOVE THE CHALLENGES POSED BY ADVERSE TRENDS IN THE BALANCE, AND SAID THAT NO NATION SHOULD SEE ITSELF AS BEARING A DISPROPORTIONATE SHARE OF THE COSTS OF COMMON DEFENSE. HE SUGGESTED THAT ECONOMIC ARGUMENTS MUST BE FACTORED IN, BUT USED IN A PERSPECTIVE WHICH ACKNOWLEDGES THE OVERRIDING NEED FOR SECURITY. HE SAID THE US WOULD DO ITS SHARE, BUT THE EXTENT TO WHICH PRESENT TRENDS IN US DEFENSE SPENDING WOULD CONTINUE WOULD DEPEND IN LARGE MEASURE ON THE DEGREE OF RECIPROCAL EFFORT FROM OUR ALLIES. NOTING THAT THE FEDERAL REPUBLIC HAD INTRODUCED, AND GRACIOUSLY WITHDRAWN, LANGUAGE WHICH WOULD NOT REQUIRE INCREASES IN DEFENSE SPENDING IN REAL TERMS, AND THAT OTHERS HAD SUPPORTED FORMULAE WHICH WERE TO FLACCID, CHARGE ASKED PERMREPS TO REJECT THESE AND TO SUPPORT THE ONLY FORMULA WHICH WOULD ASSURE REVERSAL OF THE ADVERSE TRENDS IN THE MILITARY BALANCE: "OF AT LEAST 3 PERCENT." (COMMENT: FRG CHARGE SPECIFICALLY ASKED US, PRIOR TO THIS MEETING, FOR THE "TOUGHEST" STATEMENT WE COULD MAKE, IN ORDER TO MAKE WITHDRAWAL OF THE FRG LANGUAGE STICK.

END COMMENT.)

4. KILLICK (UK) NOTED THAT DEFENSE SECRETARY MULLEY WAS GIVING THE RESOURCES ISSUE HIS PERSONAL ATTENTION. HE SAID THAT CURRENT UK PLANS FORECAST A RISE AFTER FISCAL YEAR 78/79, BUT THAT NEITHER HE NOR MULLEY COULD GUARANTEE THIS. THE UK PERCENTAGE OF GDP DEVOTED TO DEFENSE PLACES IT AHEAD OF MOST ALLIES. NOTING THAT BRITAIN'S PUBLIC

CONFIDENTIAL

PAGE 01 NATO 02546 02 OF 03 292318Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 INR-07 L-03 ACDA-07
NSAE-00 PA-01 SS-15 PRS-01 SP-02 USIA-06 TRSE-00
MC-02 DHA-02 IO-13 OIC-02 EB-08 NRC-05 ERDA-05
NSC-05 /101 W
-----300001Z 068932 /63

P 291710Z APR 77
FM USMISSION NATO
TO SECSTATE WASHDC PRIORITY 3304
SECDEF WASHDC PRIORITY
INFO ALL NATO CAPITALS
CINCLANT NORFOLK VA
USLOSACLANT NORFOLK VA
USNMR SHAPE BE
USCINCEUR VAIHINGEN GER

C O N F I D E N T I A L SECTION 2 OF 3 USNATO 2546

EXPENDITURE SYSTEM WOULD NOT PERMIT THE UK TO ACCEPT ANY BRACKETED FORMULATION OTHER THAN "UP TO 5 PERCENT," KILLICK THEN INTRODUCED THE FOLLOWING LANGUAGE, ON INSTRUCTIONS, AS A SUBSTITUTE FOR ALL FOUR BRACKETED FORMULAE: QUOTE: ACCORDINGLY, AN ANNUAL INCREASE IN REAL TERMS OF AT LEAST 3 PER CENT SHOULD BE ADOPTED AS THE AIM FOR THE ALLIANCE AS A WHOLE. FROM SOME MEMBER COUNTRIES, HIGHER INCREASES WILL BE NEEDED; FOR SOME OTHERS, ECONOMIC FACTORS WILL AFFECT ACHIEVEMENT OF THE AIM. SPECIFIC TARGET FIGURES FOR EACH COUNTRY WILL NEED TO BE ESTABLISHED IN THE NORMAL COURSE OF THE DEFENSE PLANNING REVIEW. A SPECIAL EFFORT WILL BE REQUIRED. . . END QUOTE.

5. GENERAL ZEINER GUNDERSEN (CHAIRMAN, MILITARY COMMITTEE) NOTED THAT THE RESOURCES SECTION OF MINISTERIAL GUIDANCE WAS THE MOST IMPORTANT SECTION. HE SAID THAT A FAILURE TO TURN AROUND DECLINING EUROPEAN DEFENSE SPENDING TRENDS WOULD BE FELT MANY YEARS INTO THE FUTURE, AND

PAGE 02 NATO 02546 02 OF 03 292318Z

ING TRENDS WOULD BE FELT MANY YEARS INTO THE FUTURE, AND

ASKED THAT PERMREPS SUPPORT THE FORMULATION: "OF AT LEAST 3 PERCENT." SYG LUNS REMARKED THAT WHEN HE WAS RECENTLY IN WASHINGTON, HE WAS ASKED WHAT SORT OF REAL INCREASES IN DEFENSE SPENDING WERE REQUIRED, AND HE HAD REPLIED THAT THE MINIMUM WOULD BE 3 PER CENT ANNUALLY.

6. HARDY (CANADA) SAID THAT HIS GOVERNMENT BELIEVED THAT AN INCREASE OF AT LEAST 3 PERCENT WOULD BE NOT ONLY REALISTIC AND REASONABLE FOR DEALING WITH THE THREAT, BUT ALSO WOULD SERVE AS A CHALLENGE TO NATIONS TO SPEND MORE ON DEFENSE. CATALANO (ITALY) NOTED THAT HE WAS INSTRUCTED TO SUPPORT THE FORMULA "UP TO 5 PERCENT." SCHUURMANS (BELGIUM) STATED HIS GOVERNMENT'S PREFERENCE FOR "AT LEAST 3-5 PERCENT," BUT SAID THAT HE REALIZED THE IMPOSITION OF A CEILING MIGHT CAUSE PROBLEMS TO OTHERS, AND THAT HIS MINISTER WOULD HAVE MORE TO SAY ON THE SUBJECT. VIBE (NORWAY) SAID THAT HIS GOVERNMENT BELIEVED IT OBVIOUS THAT, UNLESS ACTION WERE TAKEN, TRENDS IN THE MILITARY BALANCE WOULD WORSEN. HE WAS PREPARED TO SUPPORT THE FORMULA "OF AT LEAST 3 PERCENT." SVART (DENMARK) SAID THAT HIS GOVERNMENT'S PREFERENCE WAS FOR THE FORMULA "UP TO 5 PERCENT," BUT THAT HE WOULD REPORT THE REMARKS OF THE SYG, THE CHAIRMAN OF THE MILITARY COMMITTEE AND THE US CHARGE, WITH THE HOPE THAT HIS GOVERNMENT WOULD CHANGE ITS POSITION. IN A BRIEF COLLOQUY WITH SYG LUNS, SVART SAID THAT HIS GOVERNMENT'S PLANS OVER THE FORCE PLANNING PERIOD ARE FOR REAL INCREASES OF SLIGHTLY MORE THAN 2 PERCENT. HARTOGH (NETHERLANDS) STATED HIS GOVERNMENT'S PREFERENCE FOR THE FORMULA "APPROACHING 3 PERCENT." KIRCA (TURKEY) SUPPORTED THE SAME FORMULA, BUT SAID THAT HE COULD SUPPORT "OF AT LEAST 3 PERCENT" AS WELL. DE FREITAS CRUZ (PORTUGAL) SAID THAT, IN VIEW OF PORTUGAL'S SPECIAL POSITION, HIS GOVERNMENT WOULD PREFER THE UK FORMULA BUT HAD NO PROBLEMS WITH ANY OF THEM. FISHBACH (LUXEMBOURG) SAID HE WAS AWARE THAT LUXEMBOURG

CONFIDENTIAL

PAGE 03 NATO 02546 02 OF 03 292318Z

WAS BELOW THE NATO EUROPE AVERAGES ON BOTH OF THE CRITERIA MENTIONED, BUT NONETHELESS HE COULD AGREE WITH THE FORMULA "OF AT LEAST 3 PERCENT."

7. LUNS THEN NOTED THAT SEVEN COULD, IN ONE WAY OR ANOTHER, SUPPORT THE FORMULA "OF AT LEAST 3 PERCENT": THE US, CANADA, NORWAY, BELGIUM, TURKEY, PORTUGAL, AND LUXEMBOURG. TWO SUPPORTED "APPROACHING 3 PERCENT": FRG AND NETHERLANDS. TWO SUPPORTED "UP TO 5 PERCENT": DENMARK AND ITALY. THE UK HAD ENTIRELY DIFFERENT LANGUAGE IN MIND. AFTER LUNS OBSERVED THAT THE FRG HAD MOVED CLOSER TO THE OTHER ALLIES, BUT THAT THE UK HAD MOVED AWAY, CHARGE AGREED THAT THE FRG HAD MOVED SUBSTANTIALLY FORWARD AND HOPED FOR FURTHER MOVEMENT. OPPOSING THE UK PROPOSAL, CHARGE SAID ON A PERSONAL BASIS THAT A "GLOBAL" ALLIANCE TARGET ON DEFENSE SPENDING WOULD PRESENT AN ENTIRELY NEW

APPROACH TO DEFENSE PLANNING, AND THAT THE NOTION OF SETTING PERCENTAGE LEVELS ON INDIVIDUAL ALLIES IN SOME VAGUE WAY AFTER MINISTERS AGREED ON AN OVERALL TARGET PERCENTAGE LEVEL WOULD VITIATE THE APPROACH THE ALLIANCE HAD TAKEN OVER THE YEARS. KILLICK APOLOGIZED FOR THE LATE INTRODUCTION OF NEW LANGUAGE, BUT SAID IT HAD BEEN APPROVED "AT A HIGH LEVEL." (COMMENT: WHILE UK PROPOSAL MAY BE ONLY A MAKE-WEIGHT FOR LATER BARGAINING, IT MIGHT BE HELPFUL IN DEALING WITH ITS UNACCEPTABLE PROVISIONS IF SECRETARY BROWN WERE TO WRITE TO DEFENSE SECRETARY MULLEY TO STRESS THE PROBLEMS WE SEE WITH HIS PROPOSAL AND THE NEED TO FIND A SUITABLE FORMULA. IN THIS CONNECTION, WE BELIEVE THAT AN ACCOMMODATION MIGHT BE POSSIBLE AROUND A FORMULA WHICH WOULD STIPULATE REAL ANNUAL INCREASES IN NATIONAL DEFENSE SPENDING BY ALL ALLIES AVERAGING REPEAT

CONFIDENTIAL

PAGE 01 NATO 02546 03 OF 03 292323Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 INR-07 L-03 ACDA-07
NSAE-00 PA-01 SS-15 PRS-01 SP-02 USIA-06 TRSE-00
MC-02 DHA-02 IO-13 OIC-02 EB-08 NRC-05 ERDA-05
NSC-05 /101 W
-----292359Z 069199 /63

P 291710Z APR 77
FM USMISSION NATO
TO SECSTATE WASHDC PRIORITY 3305
SECDEF WASHDC PRIORITY
INFO ALL NATO CAPITALS
CINCLANT NORFOLK VA
USLOSACLANT NORFOLK VA
USNMR SHAPE BE
USCINCEUR VAIHINGEN GER

C O N F I D E N T I A L SECTION 3 OF 3 USNATO 2546

AVERAGING AT LEAST 3 PERCENT OVER THE FORCE PLANNING PERIOD (TO 1984). END COMMENT)

8. BOSS STATED THAT BONN WOULD WITHDRAW ITS BRACKETED PARA 43 WITH THE PROVISIO THAT IT BE AMENDED TO (A) INCLUDE CAPITAL EXPENDITURES PER SOLDIER AS A CRITERION OF COST EFFECTIVENESS AND (B) DELETE THE LAST SENTENCE RELATING TO FORCE CONTRIBUTIONS AND ECONOMIC STRENGTH. KILLICK, CATALANO AND SVART INSISTED ON RETAINING THIS SENTENCE. COMMITTEE AGREED, AD REFERENDUM, TO ACCEPT THE GERMAN ADDITION BUT RETAIN THE FINAL SENTENCE.

9. GUIDANCE FOR THE DPC (PARA 62). CHARGE ARGUED FOR THE RETENTION OF THIS SECTION, COMMENTING THAT IT WOULD PROVIDE THE NECESSARY LINKAGE BETWEEN MINISTERIAL GUIDANCE,

THE FOLLOW-ON WORK TO IMPLEMENT THE GUIDANCE AND FUTURE DEFENSE PLANNING INITIATIVES. SYG LUNS AGREED WITH THE NEED FOR CLOSE DPC SUPERVISION OF THE IMPLEMENTATION OF CONFIDENTIAL

PAGE 02 NATO 02546 03 OF 03 292323Z

1977 GUIDANCE AND COMMENTED THAT THIS TASKING COULD BE SET FORTH EITHER IN THE GUIDANCE DOCUMENT ITSELF OR IN THE FORM OF A COVER NOTE. FOLLOWING OBJECTIONS TO INCLUSION OF THIS SECTION RAISED BY CATALANO AND KILLICK, DPC AGREED TO ITS DELETION ON THE UNDERSTANDING THAT ITS CONTENTS WOULD BE INCLUDED IN A COVER NOTE FROM SYG LUNS.

10. AT CHARGE'S SUGGESTION, COMMITTEE AGREED TO REFORMULATE THE FIRST SENTENCE OF PARA 8 ALONG THE LINES INDICATED IN REF C. THIS SENTENCE WILL NOW READ: "THE STEADY EXPANSION OF WARSAW PACT MILITARY CAPABILITIES HAS GREATLY INCREASED THE POWER AND FLEXIBILITY OF WARSAW PACT FORCES."

11. HARTOGH PROPOSED THE DELETION OF THE LAST CLAUSE OF THE FIRST SENTENCE OF PARA 17, BEGINNING: "INITIALLY USING...," COMMENTING THAT HIS AUTHORITIES BELIEVE THAT THE COMPRESSION IN WARNING TIMES IS APPLICABLE TO MARITIME FORCES AS WELL. SYG LUNS, JOINED BY KILLICK, SAID THAT THIS WOULD CHANGE THE CENTRAL MEANING OF THE SENTENCE, WHICH CLEARLY REFERS TO THE LAND AND AIR BATTLE. DPC AGREED TO LUNS' COMPROMISE SUGGESTION TO DELETE ONLY THE PHRASE "ALREADY LOCATED CLOSE TO NATO BORDERS."

12. DPC ACCEPTED THE FOLLOWING CHANGES PROPOSED BY HARTOGH:

- - PARA 21, DELETE BIOLOGICAL FROM THE SECOND SENTENCE;
 - - PARA 35, ADD THE THOUGHT THAT THE HIGH COST OF MAJOR EQUIPMENT IS OF MAJOR IMPORTANCE TO POTENTIAL BUYERS;
 - - PARA 41, ADD A SENTENCE NOTING THAT THE EFFECTIVE USE OF RESOURCES WILL DEPEND ON PROGRESS IN ALLIANCE
- CONFIDENTIAL

PAGE 03 NATO 02546 03 OF 03 292323Z

COOPERATION;

- - PARA 59, EXPAND THE PARA TO NOTE THE NEED FOR MORE EFFECTIVE LONG-TERM PLANNING.

13. ACTION REQUESTED: WASHINGTON CONSIDERATION OF A LETTER FROM SECRETARY BROWN TO DEFENSE SECRETARY MULLEY

ON RESOURCES (SEE PARA 7). STREATOR

CONFIDENTIAL

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 30-Aug-1999 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NATO02546
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Expiration:
Film Number: n/a
Format: TEL
From: NATO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197704102/baaabdie.tel
Line Count: 329
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE
Message ID: edffb39b-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: (A) USNATO 2373 (DTG 231215Z APR 77)(NOTAL), (B) USNATO 2437 (DTG 270915Z APR 77)(NOTAL), (C) STATE 095353 (DTG 272332Z APR 77)(NOTAL)
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2667819
Secure: OPEN
Status: NATIVE
Subject: DRAFT MINISTERIAL GUIDANCE 1977: DPC REVIEW
TAGS: MPOL, NATO
To: STATE SECDEF MULTIPLE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/edffb39b-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009